


**ACTUARIAL NOTE
REGULAR SESSION 2009**

House Bill 421 HLS 09RS-844 Engrossed/ With Senate Committee Amendments	Preparation of this Note was directed by the Actuarial Services Division of this office
Author: Representative Doerge June 18, 2009	
LA # 14.03 Louisiana Assessors' Retirement Fund (ASSR)	Steve J. Theriot, CPA Legislative Auditor
EG 5yr Ttl: See note	

Bill Header: Relative to the Louisiana Assessors' Retirement Fund, removes the cap on the amount of revenue sharing dollars that the system may demand in satisfaction of certain required tax remittances due the system by a parish, city, or other governmental entity.

Estimated Fiscal Impact:

EXPENDITURES:	2009-10	2010-11	2011-12	2012-13	2013-14	5 Yr Total
State General fund	0	0	0	0	0	0
Agy Self Generated	0	0	0	0	0	0
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	0	0	0	0	0	0

REVENUES	2009-10	2010-11	2011-12	2012-13	2013-14	5 Yr Total
State General fund	0	0	0	0	0	0
Agy Self Generated	See below	See below	See below	See below	See below	See below
Stat Deds/Other	0	0	0	0	0	0
Federal Funds	0	0	0	0	0	0
Local Funds	0	0	0	0	0	0
Annual Total	See below	See below	See below	See below	See below	See below

Purpose:

Amends R.S.11:1481 relative to the Louisiana Assessors' Retirement Fund (LARF) so as to remove a 15% cap on certain revenue sharing funds that the Board of Trustees of such fund can collect in the event of a shortfall of required remittances of certain tax revenues.

Bill Provisions:

Relative to the Louisiana Assessors' Retirement Fund, removes the cap on the amount of revenue sharing dollars that the system may demand for satisfaction of certain required tax remittances due the system by a parish, city, or other governmental entity.

Existing Provisions:

R.S. 11:1481(1)(a)(ii) requires each official responsible for tax collection in any parish (including the city of New Orleans) to remit to the LARF ¼ of 1% of taxes shown to be collectible by the tax rolls. In the event a tax collector is delinquent in transferring such funds to the LARF, R.S. 11:1481(1)(a)(iii)(aa) and (bb) further provides that the trustees may seek to collect such funds from the state treasurer via state revenue sharing funds in an amount not to exceed 15% of the amount such entity was remitting on July 1, 2004.

Related Information:

R.S. 11:1481(1)(a)(ii) requires each official responsible for tax collection in any parish (including the city of New Orleans) to remit to the LARF ¼ of 1% of taxes shown to be collectible by the tax rolls. In the event a tax collector is delinquent in transferring such funds to the LARF, R.S. 11:1481(1)(a)(iii)(aa) and (bb) further provides that the trustees may seek to collect such funds from the state treasurer via state revenue sharing funds in an amount not to exceed 15% of the amount such entity was remitting on July 1, 2004.

Actuarial Impact:

Actuarial Cost Impact:

None immediate, but favorable for long-term financial soundness.

Potential Actuarial Liability:

None immediate, but favorable for long-term financial soundness.

ACTUARIAL NOTE REGULAR SESSION 2009

Actuarial Analysis:

The proposed law retains the present law, but eliminates the cap on the amount of revenue sharing funds the board may seek if an entity is delinquent in remitting the required percentage of taxes to the LARF. A review of the Independent Auditor's Report as of September 30, 2007 indicates that the LARF received payment from the City of New Orleans for delinquent ad valorem taxes. We are unaware of any outstanding delinquent ad valorem taxes. A retirement system must have the ability to enforce contributions to maintain financial soundness.

Fiscal Impact: This will increase revenue collection. The specific amount and timing of the increase cannot be determined at this time.

Dual Referral:

Estimated Fiscal Impact >= \$500,000? **No**